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EXTRAORDINARY

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LOK SABHA

The following Bills were introduced in Lok Sabha, on the 15th March, 1962:—

*BILL NO. 5 OF 1962

A Bill to provide for the distribution of a part of the net proceeds of certain Union duties of excise among the States in pursuance of the principles of distribution formulated and the recommendations made by the Finance Commission in its report dated the 14th day of December, 1961.

BE it enacted by Parliament in the Thirteenth Year of the Republic of India as follows:—

1. This Act may be called the Union Duties of Excise (Distribution) Act, 1962. Short title.

5 2. In this Act, the expression “distributable Union duties of excise” means twenty per cent. of the net proceeds of the duties of excise levied and collected under the Central Excises and Salt Act, 1944 on each of the articles specified in the Schedule to this Act, as defined in the First Schedule to the Central Excises and Salt Act, 1944. Definition.

10 3. During each financial year commencing on and after the first day of April, 1962, there shall be paid out of the Consolidated Fund of India to each of the States specified in column 1 of the Table below Distribution of a part of Union duties of excise among the States.

*The President has, in pursuance of clauses (1) and (3) of article 117 and clause (1) of article 274 of the Constitution of India, recommended to Lok Sabha the introduction and consideration of the Bill.

such percentage of the distributable Union duties of excise as is set out against it in column 2:—

TABLE

1 State	2 Percentage	5
Andhra Pradesh	8.23	
Assam	4.73	
Bihar	11.56	
Gujarat	6.45	
Jammu and Kashmir	2.02	10
Kerala	5.46	
Madhya Pradesh	8.46	
Madras	6.08	
Maharashtra	5.73	
Mysore	5.82	15
Orissa	7.07	
Punjab	6.71	
Rajasthan	5.93	
Uttar Pradesh	10.68	
West Bengal	5.07	20

Expenditure
to be charged
on the
Consolidated
Fund of
India.

4. Any expenditure under the provisions of this Act shall be expenditure charged on the Consolidated Fund of India.

Power to
make rules.

5. (1) The Central Government may, by notification in the Official Gazette, make rules providing for the time at which and the manner in which, any payments under this Act are to be made, for the making of adjustments between one financial year and another and for any other incidental or ancillary matters.

(2) Every rule made under this section shall be laid as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

Repeal.

6. The Union Duties of Excise (Distribution) Act, 1957, shall, as from the first day of April, 1962, stand repealed.

55 of 1957.
40

THE SCHEDULE

(See section 2)

1	2
Name of article	Number of item of the Central Excises and Salt Act, 1944 defining the article.
5	Sugar 1
	Coffee 2
10	Tea 3
	Tobacco 4
	Kerosene 7
	Refined diesel oils and vaporizing oil 8
	Diesel oil, not otherwise specified 9
15	Furnace oil 10
	Asphalt and Bitumen 11
	Vegetable non-essential oils 12
	Vegetable product 13
20	Pigments, colours, paints, enamels, varnishes, blacks and cellulose lacquers 14
	Soap 15
	Tyres 16
	Paper 17
	Rayon and synthetic fibres and yarn 18
25	Cotton fabrics 19
	Silk fabrics 20
	Woollen fabrics 21
	Rayon or artificial silk fabrics 22
	Cement 23
30	Pig iron 25
	Steel ingots 26
	Aluminium 27
	Tin plate and tinned sheets including tin taggers, and cutting of such plates, sheets or taggers 28
35	Internal combustion engines, all sorts 29
	Electric motors, all sorts and parts thereof 30
	Electric batteries, and parts thereof 31

I	2	
Electric lighting bulbs and fluorescent lighting tubes	32	
Electric fans	33	
Motor vehicles	34	
Cycles, parts of cycles other than motor cycles	35	5
Footwear	36	
Cinematograph films, exposed	37	
Matches	38	

STATEMENT OF OBJECTS AND REASONS

At present 25 per cent. of the net proceeds of Union duties of excise on matches, sugar, tobacco, vegetable product, coffee, tea, paper and vegetable non-essential oils is distributed among the States. The Third Finance Commission have recommended that from 1st April, 1962, 20 per cent. of the net proceeds of Union duties of excise on all articles other than motor spirit, on which such duties were collected in 1960-61, excluding those (but not excluding silk fabrics) on which the yield was below Rs. 50 lakhs a year, should be distributed among the States. The Bill gives effect to those recommendations.

NEW DELHI;

MORARJI DESAI.

The 12th March, 1962.

FINANCIAL MEMORANDUM

At the current rates of duties, the provisions of this Bill will involve the payment from the Consolidated Fund of India to the States of a sum of Rs. 73 crores in the coming financial year representing an increase of Rs. 34 crores over the amount which the States would have been entitled to get under the present sharing arrangements.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 5 of the Bill empowers the Central Government to make rules in respect of matters specified therein. They relate to the time at which and the manner in which any payments are to be made to the States, for the making of adjustments between one financial year and another and for any other incidental or ancillary matters. The matters in respect of which the rules may be made are of a routine and administrative character.

2. The delegation of legislative power is thus of a normal character.
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*BILL NO. 4 OF 1962

A Bill to provide for the distribution of the net proceeds of the estate duty among the States in pursuance of the principles of distribution formulated and the recommendations made by the Finance Commission in its report dated the 14th day of December, 1961.

BE it enacted by Parliament in the Thirteenth Year of the Republic of India as follows :—

Short title. 1. This Act may be called the Estate Duty (Distribution) Act, 1962.

Definitions. 5 2. In this Act,—

(a) “estate duty” means the estate duty levied under the Estate Duty Act, 1953 in respect of property other than agricultural land; 34 of 1953.

(b) “State” does not include a Union territory.

Distribution of net proceeds of estate duty assigned to the States. 10 3. (1) During each financial year commencing on and after the 1st day of April, 1962, the net proceeds of estate duty levied and collected during that financial year shall, after deducting therefrom a sum equal to one per cent. of the said proceeds as being attributable to Union territories, be distributed among the States in accordance with 15 the provisions of sub-section (2).

*The President has, in pursuance of clause (1) of article 117 and clause (1) of article 274 of the Constitution of India, recommended to Lok Sabha the introduction of the Bill.

(2) Out of the total amount falling to be distributed in any financial year under sub-section (1)—

(a) the amount attributable to immovable property shall be distributed among the States in proportion to the gross value of the immovable property situated in the respective States as determined in respect of that financial year;

(b) the balance shall be distributed among the States as follows :—

State	Percentage	
Andhra Pradesh	8.34	10
Assam	2.75	
Bihar	10.78	
Gujarat	4.78	
Jammu and Kashmir	0.83	15
Kerala	3.92	
Madhya Pradesh	7.51	
Madras	7.80	
Maharashtra	9.16	20
Mysore	5.46	
Orissa	4.08	
Punjab	4.71	
Rajasthan	4.67	25
Uttar Pradesh	17.10	
West Bengal	8.11	

(3) For the purposes of this section,—

(a) “amount attributable to immovable property” means an amount which bears to the total amount distributable in any financial year under sub-section (1) the same proportion which the gross value of all immovable property situated in the States bears to the gross value of all property, movable and immovable, so situated, as determined in respect of that financial year;

(b) “gross value”, in relation to movable or immovable property, means the total value of all movable property or, as the case may be, of all immovable property, passing on the death of any person as determined by the Controller under the Estate Duty Act, 1953;

(c) “immovable property” does not include agricultural land.

4. (1) The Central Government may, by notification in the Official Gazette, make rules providing for the manner in which the gross value of property is to be calculated, for the time at which, and the manner in which, any payments under this Act are to be made, for the making of adjustments between one financial year and another and for any other incidental or ancillary matters.

Power to make rules.

(2) Every rule made under this section shall be laid as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of 5 the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment 10 shall be without prejudice to the validity of anything previously done under that rule.

57 of 1957.

5. The Estate Duty (Distribution) Act, 1957, shall, as from the 1st Repeal. day of April, 1962, stand repealed

STATEMENT OF OBJECTS AND REASONS

Under article 269 (2) of the Constitution, the principles of distribution among the States of the taxes levied under that article have to be formulated by Parliament by law. Accordingly, this Bill seeks to lay down the principles of the distribution of the net proceeds of the estate duty on property other than agricultural land, except in so far as those proceeds represent the proceeds attributable to Union territories, among the States, in accordance with the recommendations made by the Third Finance Commission, which have been accepted by Government.

NEW DELHI;

MORARJI DESAI.

The 12th March, 1962.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 4 of the Bill empowers the Central Government to make rules in respect of certain matters specified therein. They relate to the manner in which the gross value of property is to be calculated, the time at which and the manner in which any payments under this Act are to be made, the making of adjustments between one financial year and another and other incidental or ancillary matters. The matters in respect of which rules may be made are of a routine and administrative character.

2. The delegation of legislative power is thus of a normal character.
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*BILL NO. 6 OF 1962

A Bill further to amend the Additional Duties of Excise (Goods of Special Importance) Act, 1957.

BE it enacted by Parliament in the Thirteenth Year of the Republic of India as follows:—

1. This Act may be called the Additional Duties of Excise (Goods of Special Importance) Amendment Act, 1962.

58 of 1957. 5 2. In the long title of the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (hereinafter referred to as the principal Act), for the words, figures and letters “dated the 30th day of September, 1957, and to declare those goods to be of special importance in inter-State trade or commerce”, the words, figures and letters 10 “dated the 14th day of December, 1961” shall be substituted.

3. In section 6 of the principal Act, for sub-section (2), the following sub-section shall be substituted, namely:—

15 “(2) Every rule made under this section shall be laid as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any

*The President has, in pursuance of clauses (1) and (3) of article 117 and clause (1) of article 274 of the Constitution of India, recommended to Lok Sabha the introduction and consideration of the Bill.

modification in the rule, or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule." 5

Substitution
of new
Schedule for
second
Schedule.

4. In the principal Act, for the Second Schedule, the following Schedule shall be substituted, namely:—

"THE SECOND SCHEDULE

(See section 4)

10

1. In this Schedule "net proceeds", as respects any financial year, means the net proceeds of the additional duties in respect of sugar, tobacco, cotton fabrics, silk fabrics, woollen fabrics and rayon or artificial silk fabrics levied and collected during that financial year.

2. During each of the financial years commencing on and after the 1st April, 1962, there shall be paid,— 15

(a) to the State of Jammu and Kashmir a sum equal to 1.5 per cent. of the net proceeds; and

(b) to each of the States specified in the first column of the Table— 20

(i) a sum equal to the amount specified against that State in the second column of the Table; and

(ii) if the total of the sums payable to all the States under the preceding provisions of this paragraph is less than 99 per cent. of the net proceeds by any amount, a further sum equal to such percentage of that amount as is specified against that State in the third column of the Table: 25

Provided that if during that financial year there is levied and collected in any State a tax on the sale or purchase of sugar, tobacco, cotton fabrics, silk fabrics, woollen fabrics and rayon or artificial silk fabrics by or under any law of that State, no sums shall be payable to that State under clause (a), or as the case may be, under clause (b) in respect of that financial year, unless the Central Government by special order otherwise directs. 30

TABLE

1		2	3
		(Rupees in lakhs)	
5	Andhra Pradesh	235·24	7·75
	Assam	85·08	2·50
	Bihar	130·16	10·00
	Gujarat	323·45	5·40
	Kerala	95·08	4·25
10	Madhya Pradesh	155·17	7·00
	Madras	285·34	9·00
	Maharashtra	637·77	10·60
	Mysore	100·10	5·25
	Orissa	85·10	4·50
15	Punjab	175·19	5·25
	Rajasthan	90·10	4·00
	Uttar Pradesh	575·81	15·50
	West Bengal	280·41	9·00".

STATEMENT OF OBJECTS AND REASONS

This Bill seeks to amend the Additional Duties of Excise (Goods of Special Importance) Act, 1957, for giving effect to the recommendations made by the Third Finance Commission for the distribution among the States of the net proceeds of additional duties of excise levied by the Union in replacement of States' sales taxes on sugar, tobacco, cotton fabrics, silk fabrics, woollen fabrics and rayon or artificial silk fabrics, except the proceeds of these duties attributable to Union territories.

NEW DELHI;

MORARJI DESAI.

The 12th March, 1962.

FINANCIAL MEMORANDUM

This Bill does not involve any additional payment to the States out of the Consolidated Fund of India over and above what they are entitled to get under the existing arrangements. The States' share of additional excises next year is expected to amount to Rs. 41 crores.

M. N. KAUL,
Secretary

